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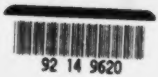

92-2256

FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D. C. 20549

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarter ended: March 31, 1992

Commission file number: 01-17520

EQUITY AU, INC
(exact name of registrant as specified in its charter)

Delaware	33-20582	75-2276137
(State of Incorporation)	('33 Act SEC file no.)	(IRS E Id No.)

625 Digital Drive Suite 109 Plano, Texas 75075
(Address of principal executive offices) (Zip code)

Registrant's telephone number, including area code: 214-867-2022

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by section 13 or 15(d) of the Securities Act of 1934 during the past 12 months and (2) has been subject to such filing requirements for the past 90 days.

X YES _____ NO

Shares of common stock outstanding at March 31, 1992:

36,878,312

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EQUITY AU, INC.
(a development stage enterprise)

BALANCE SHEET

	March 31, 92 (unaudited)	Dec 31, 91 (audited)
ASSETS		
Current Assets:		
Cash	54,406	41,348
Advances	36,068	36,068
Fixed Assets:		
Milling Facility	258,750	258,750
Drilling Rig	56,018	56,018
Equipment & Furniture	156,622	156,622
Accumulated depreciation	(71,092)	(61,771)
Net fixed assets	400,298	409,619
Investments:		
Investment in subsidiary	9,635	9,635
Precious gems	670,000	675,000
Other Assets:		
Mining claims	3,981,386	3,902,448
Non-Compete Agreement	1,000	1,000
Security deposits	2,479	2,479
Organizational costs, net	2,458	2,809
TOTAL ASSETS	5,157,730	5,080,406

EQUITY AU, INC.
(a development stage enterprise)

BALANCE SHEET

LIABILITIES & STOCKHOLDER'S EQUITY	March 31, 92 (unaudited)	Dec 31, 91 (audited)
LIABILITIES		
Accounts Payable and accrued expenses	153,506	164,380
Payroll taxes payable	62,189	58,552
Advances from affiliates	179,720	146,061
Dividends payable	13,209	9,271
Notes payable	35,147	36,981
STOCKHOLDERS' EQUITY		
Common stock, Class A, Par Value $0.001; 99,900,000 shares authorized; 36,878,312 shares issued and outstanding	36,878	34,253
Common Stock, Class A, subscribed		268,486
Common stock, Class B, $0.01 Par Value; 100,000 shares authorized; 100,000 shares issued and outstanding	1,000	1,000
Preferred stock $1.00 Par Value; 200,000 shares authorized; 200,000 shares issued and outstanding	200,000	125,000
Preferred Stock $1.00 Par Value; 1,800,000 shares authorized; zero shares issued and outstanding	-0-	-0-
Additional paid in capital	5,912,020	5,538,406
Deficit accumulated in the development stage	(1,435,939)	(1,301,984)
TOTAL STOCKHOLDERS' EQUITY	4,713,959	4,665,161
TOTAL LIABILITY & STOCKHOLDERS' EQUITY	5,157,730	5,080,406

EQUITY AU, INC.
(a development stage enterprise)

STATEMENT OF OPERATIONS

	Quarter ended March 31 1992	Year ended December 31, 1991	Year ended December 31, 1990	Year ended December 31, 1989	Year ended December 31, 1988	Cumulative Totals
Revenue:						
Turn Key Contracts	177,000	316,756	-0-	-0-	-0-	493,756
Other	13,140	307,980	-0-	-0-	-0-	321,120
Cost of Revenues	110,227	125,369				235,596
Expenses:						
Assaying			10,601	17,032		27,633
Geology			26,489	22,916		49,405
Milling cost				7,756		7,756
Professional fees	34,589	92,893	23,666	33,514	10,500	144,163
Amortization	351	1,405	1,405	1,405		4,566
Contract services	19,858	120,767	36,757	6,231		179,613
Consulting				12,575		12,575
Depreciation	9,321	37,284	24,487			71,092
Office, Printing, Postage	7,371	25,153	19,835	26,174	2,513	81,046
Miscellaneous		100	1,620	520		2,240
Travel & Entertainment	20,069	56,779	8,587	15,069		100,424
Equipment lease & maintenance	8,778	6,654	12,799	27,998		56,223
Licenses and fees	869	33,635	180	24,177		58,861
Insurance	1,673	3,778	2,863		670	8,984
Investment expense				462		462
Stock transfer fees	1,105	1,110	1,216	2,637	350	6,418
Advertising and promotion	33,626	55,111	4,725	51,995		145,457
Rents	8,488	33,367	37,570	38,684		118,089
Salaries	32,705	130,035	217,775	135,721		525,316
Taxes	2,491	28,563	30,953	27,797		79,804
Telephone and utilities	12,552	46,062	26,830	41,321		127,765
Total expenses	199,479	641,703	478,278	482,976	14,033	1,907,870
Income (loss) from operations	(110,965)	(242,360)	(478,278)	(482,976)	(14,033)	(1,328,592)
Interest expense	(14,606)	(16,627)	(61,316)			(92,549)
Loss on sale of investments	(4,500)					(4,500)
Interest income	54	68		2,789		2,911
Income before provision for Federal income tax	(130,017)	(258,899)	(539,594)	(480,187)	(14,033)	(1,422,730)
Provision for Federal Income Tax	-0-	-0-	-0-	-0-	-0-	-0-
Provision for Preferred Dividends	(3,938)	(9,271)	-0-	-0-	-0-	(13,209)
Net Income (Loss)	(133,955)	(268,170)	(539,594)	(480,187)	(14,033)	(1,435,939)
Earnings Per Share	$ (0.01)	$ (0.01)	$ (0.03)	$ (0.02)		
Shares outstanding at end of period	34,878,312	34,252,337	19,282,419	19,136,547		
Fully Diluted:						
Earnings Per Share	$ (0.01)	$ (0.01)	$ (0.03)	$ (0.02)		
Fully Diluted Shares outstanding at end of period	38,128,312	34,939,837	19,282,419	19,136,547		

EQUITY AU, INC.
(a development stage enterprise)

STATEMENT OF CASH FLOWS
(Indirect Method)

Three Months Ended March 31, 1992
and Period from March 5, 1988 (date of inception)
to March 31, 1992

	Three Months ended March 31, 1992	Accumulated since inception March 5, 1988
Cash flows from operating activities:		
Net income (loss)	(133,955)	(1,435,939)
Adjustment for items not requiring cash:		
Stock issued for services		87,575
Amortization of organization costs	351	4,565
Depreciation expense	9,321	71,092
Net change in receivables and payables	2,763	199,628
Expenses paid by stockholder		13,100
Total cash provided by (used for) operating activities	(119,150)	(1,059,979)
Cash flows from investing activities:		
Cash paid for organization costs		(7,023)
Investment in subsidiaries		(9,435)
Purchase of fixed assets		(171,390)
Sale of investments	(5,000)	(5,000)
Mineral interest purchased by assumption of geological costs		(37,080)
Total cash provided (used for) investing activities	(5,000)	(230,928)
Cash flows from financing activities:		
Increase in notes payable	(1,034)	35,147
Increase in deposits	3,938	13,209
Advances from affiliates	33,459	918,580
Increase in deposits		(2,479)
Cash received from sale of preferred stock	75,000	200,000
Cash received from sale of common stock	29,215	190,854
Total cash provided (used for) financing activities	139,578	1,355,313
Net increase (decrease) in cash	13,058	54,406
Cash, beginning of period	41,348	-0-
Cash, end of period	54,406	54,406

EQUITY AU, INC
(a development stage enterprise)

STATEMENT OF STOCKHOLDERS' EQUITY
Period from inception, March 5, 1988
to March 31, 1992

	Common Stock - Class A Shares	Amount	Additional Pd in Capital	Accumulated Deficit
Balance, March 5, 1988 date of inception	-0-	-0-	-0-	$ -0-
Issuance of common stock:				
for cash	1,900,000*	300	-0-	
for services	1,900,000*	300	-0-	
For common stock of Equity Gold, Inc	13,200,000	4,062	1,315,938	
For assets:				
Precious gems	6,750,000	2,248	672,752	
Drilling rig	400,000	133	99,867	
Arkam Gold stock	784,000	261	195,739	
Paid in capital by parent	-0-	-0-	13,100	
Net Loss				(14,033)
Balance December 31, 1988	25,134,000	7,704	2,197,395	(14,033)
Issuance of common stock:				
for assets	5,052,711	1,683	1,261,495	
for assets	314,000	105	78,393	
Balance February 14, 1989	28,500,711	9,492	3,537,283	(14,033)
February 14, 1989 after effect of 3 for 2 reverse stock split and change of par value to $.001/share	18,981,564	18,982	3,537,793	
Issuance of stock				
for cash	34,983	34	17,324	
for assets	53,000	53	13,197	
for services	75,000	75	-0-	
Net Loss				(480,187)
Balance December 31, 1989	19,136,547	19,137	3,558,316	(494,220)
Issuance of stock				
for cash	145,872	145	37,631	
Net Loss				(539,594)
Balance December 31, 1990	19,282,419	19,282	3,585,947	(1,033,814)
Issuance of stock				
for cash	346,015	346	49,569	
for assets	10,549,000	10,549	1,353,091	
for services	700,000	700	86,800	
for debt	5,254,119	5,254	733,606	
Less: common stock subscribed for assets	(1,879,215)	(1,879)	(366,607)	
Net Income				(268,170)
Balance December 31, 1991	34,252,337	34,253	5,539,406	(1,301,984)
Issuance of stock				
for cash	115,360	115	28,700	
for assets	2,510,715	2,510	344,914	
Net Income				(133,955)
Balance March 31, 1992	36,878,312	36,878	5,912,020	(1,435,939)

EQUITY AU, INC
(a development stage enterprise)

STATEMENT OF STOCKHOLDERS' EQUITY
Period from inception, March 5, 1988
to March 31, 1992

	Common Stock - Class B Shares	Amount	Additional Pd in Capital
Balance, March 5, 1988 date of inception	-0-	-0-	-0-
Balance December 31, 1990	-0-	-0-	-0-
Issuance of stock for assets	1,000	1,000	-0-
Balance December 31, 1991	1,000	1,000	-0-
	-0-	-0-	-0-
Balance March 31, 1992	1,000	1,000	-0-

	Preferred Stock - Class A Shares	Amount	Additional Pd in Capital
Balance, March 5, 1988 date of inception	-0-	-0-	-0-
Balance December 31, 1990	-0-	-0-	-0-
Issuance of stock for cash	125,000	125,000	-0-
Balance December 31, 1991	125,000	125,000	-0-
Issuance of stock for cash	75,000	75,000	-0-
Balance March 31, 1992	200,000	200,000	-0-

Item 2: MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

As of March 31, 1992, the Registrant's cash and cash equivalents totalled $54,406, representing an increase for the quarter of $13,058 and an increase for the three months ended March 31, 1992 of $13,058.

The Registrant has continued negotiations to acquire an additional 973 mining claims located in Polk County, Arkansas in exchange for stock.

The Registrant has completed, in conjunction with Arkansas American Mining & Exploration, Inc, an affiliate of the Registrant, the lab, office facility and pilot mill in Mena, Arkansas. The pilot mill became operational in the first quarter of 1991 and a limited amount of dore' is being produced. The Registrant is conducting further testing to determine the best production method to produce the dore' commercially. The Registrant continues its assaying and evaluation research through independent assayers and Ph.D. chemists. The certified assays of the dore' produced from the ore show a relatively high content of precious metals.

On January 12, 1991 the directors voted to authorize the exchange of newly issued, restricted Common Stock of the Company in exchange for the assignment of limited partnership units in partnerships which the Company, or its affiliates, served as general partner, or in exchange for the assignment in certain mining claims where the Company held a royalty interest, under certain terms and conditions, for Limited Partners so requesting. These partnerships sole tangible assets are mining claims and the Registrant exchanged dollar for dollar based upon the amount invested and based upon a share price of $0.125. The Registrant also charged a handling fee of $0.02 per share, which amount is shown in the statement of operations as "Other Income". As of March 31, 1992 the Registrant had issued 11,180,500 shares in exchange for interests in limited partnerships which own mining claims. On March 22, 1992 the Company passed a resolution to increase the exchange price based upon a share price of $0.75.

During the first quarter of 1992, the Registrant formed Metal Mountain Partners, Inc. as a wholly owned subsidiary, to act as General Partner for a private placement limited partnership in order to select a mill site for the construction of an additional milling facility to be constructed on land in the same vicinity as the existing mills. Metal Mountain Partners, Inc. received a turn key contract to construct a mill for the partnership. The additional facility is funded through the separate limited partnership. The Company holds an eleven to fourteen percent royalty on the ore processed through the mill and will operate the mill for a fee equal to ten percent of the costs.

Operating losses continued until the first quarter of 1992. Losses from extraction of the ore continued into the first quarter since commercial production of ore at the milling facility in Mena, Arkansas had not commenced. Subsequently, the Registrant has commenced production and has delivered two bulk shipments of ,precious metal bearing concentrates to its refiner, AT&T Nassau Metals, Inc., a wholly owned subsidiary of AT&T. The Registrant continues to produce additional material for shipment on a regular basis to its refiner. The Registrant expects to receive its first income from operation in the second quarter of 1992. The results of the aforementioned shipments and the associated income obtained from this production may result in the recognition of significant ore reserves which would materially affect the value of the Company.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

Registrant has no legal proceedings pending.

Item 2. Changes in Securities.

Registrant has made no changes in its securities.

Item 3. Defaults Upon Senior Securities.

Registrant has no senior securities and accordingly no defaults.

Item 4. Submission of Matters to a Vote of Security Holders.

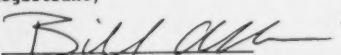
Registrant submitted no matters to a vote of security holders.

Item 5. Other Information.

None.

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

EQUITY AU, INC
(Registrant)

BY: 
Bill Allison, Secretary
and Chief Financial Officer

DATE: May 14, 1992
Plano, Texas